

0375 - Arkansas Teacher Retirement System

Interim Progress Report for the reporting period July 1, 2003 - December 31, 2003

Section I. Agency Update and Assessment

1. Emerging Issues at the Federal (National) or State level affecting the agency.

A) Pending legislative action regarding school funding and re-organization.

2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.

A) Allowance and subsequent Board approval to raise employer contribution rate from 12% of covered salaries to 13%. This action has been implemented.

3. Discuss significant factors internal and external to the agency affecting agency performance.

A) Inability to offer competitive wages to obtain necessary staff to perform complex transactions.

B) Financial markets play key role in the agency's welfare.

4. Provide comments on the usefulness and reliability of performance measures.

A) The timing of implementation and time of interim reporting have not allowed sufficient results to make a determination.

5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).

A) ATRS maintains an internal accounting system, therefore no impact has been felt.

Program 1: Agency Operations Administration

Goal 1: To provide our members and retirees with the highest level of benefits, customer service, and timely accurate information.

Objective 1: To maximize benefit levels and customer satisfaction of members and retirees by providing a high quality benefit through the efficient administration of retirement legislation and the effective allocation and management of fund assets of the Arkansas Teacher Retirement System.

Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Ensure all participants reported by employers are members of the system and status is correct	95.5%	96%	
2	Site visit to provide counseling sessions for active members of the system	100%	N/A	Recommend a change in the measure to target a specific number of site visits, as this indicator is not applicable
3	Applications are processed to make effective annuity payment date	97%	98%	
4	Personally present, or videoconference, seminars on related topics	20 seminars per year	13	
5	Respond to members' request within 5 business days.	97%	98%	
6	Number of newsletters per year provided to members	2 newsletters per year	0	First newsletter mailing targeted for February 2004
7	Number of Agency proprietary systems administered	3	3	
8	Administrative cost per active and retired member	\$100	\$8	As of 09/30/2003
9	Number of Performance Measures achieved	75%		Will compute on annual basis
10	Number of prior year findings repeated in subsequent audit.	3	N/A	Audit Currently Underway

Comments on performance matters related to Objective 1:

Program 2: Benefit Payments

Goal 1: To provide for the accurate, timely payment of benefits/payouts to retired members/eligible beneficiaries and refunds to active/inactive members and employers.

Objective 1: To produce accurate and timely benefit payments for retired members or beneficiaries via Automated Clearing House (ACH) payment methodologies and to produce accurate and timely benefit payments/payouts for retired or beneficiaries and refunds to active/inactive members and employers via the Arkansas State Treasury by administering and maintaining the integrity of the Arkansas Teacher Retirement System membership database.

Measure

<u>Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Percent of member earnings, service and contributions recorded correctly in the membership database	95.5%	96%	
2	Percent of initial payments made to retirees, or beneficiaries, by requested date, or within 30 days of receipt of required documentation.	98.5%	99%	

Comments on performance matters related to Objective 1: